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Testimony on SB-25 – AN ACT CONCERNING OUT-OF-POCKET EXPENSES FOR PRESCRIPTION DRUGS

Honorable Elected Officials, thank you for the opportunity to address you with regards to this bill addressing the affordability of health insurance to the residents of our State. I own and operate a staffing and educational services business that provides support services to other organizations related to health insurance and health care reform. I have been in the insurance business for 14 years, and am very involved with the roll-out of Health Care Reform and how it affects the Individual and Small Group Health Insurance marketplace in CT.

I am testifying on my own behalf. For informational purposes, I am a member of the SHOP Advisory Committee to Access Health CT and a board member of Small Business for A Healthy CT, an advocacy group. I am testifying on three bills today; so I will be brief.

I am not in support of this bill. I believe that this is really a regulatory issue that can be addressed by the CT Insurance Department. The department instituted many changes to prescription drug coverage benefits for this year, 2015, as regulations.

The issue here is of the unintended consequence of making all health insurance plans more expensive. Plans are now required to be offered under actuarial value tiers, i.e. Gold, Silver, Bronze; and prescription drug benefits are a significant driver of the plans actuarial value and the cost of the health plan. The limiting of a maximum cost share of all prescription drugs to \$100, may not be possible, in a reasonable way. This means there would most likely be a significant reduction in the health plan options available, and an increase in cost of health plans to the average person. People have the option to buy better health plans with lower prescription drug costs; however, that is the balancing act we face; lower cost-sharing or lower health plan price.

An important item for consideration is that there are other resources for people to reach out to in order to get assistance with their co-payments or cost-sharing. The recommendation is that there needs to be more of an educational focus on directly people to those resources through ahCT and through the many non-profit and community organizations that exist today.

Thank you for your time. I am open to answering any questions you may have for me.

Sincerely,

Antonio Paulo Pinto